



FOR IMMEDIATE RELEASE

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MAYOR JERRY SANDERS
FACT SHEET

**MAYOR ANNOUNCES SUCCESSFUL SALE
OF \$453 MILLION IN WASTEWATER BONDS**

*Bonds Will Let City Improve Its Wastewater System
and Refinance Older Debt Leading to Savings of Over \$7Million*

San Diego Mayor Jerry Sanders has announced the successful sale of \$453.8 million in Sewer Revenue and Sewer Revenue Refunding Bonds issued by the City. Proceeds from the sale will be used to provide funding for capital improvements to the City's wastewater system and to refinance older Sewer Revenue Notes, some of which are due later this month.

"Both the pricing and quick sale of these bonds is further proof of restored investor confidence in San Diego," said Mayor Sanders. "The bonds received good ratings giving us a good interest rate and we had more buyers than bonds to go around," said the Mayor. "This is another great indicator of how well we've done in restoring financial integrity and investor interest in our City."

The new bonds gained high ratings from the nation's three major rating agencies (A2 by Moody's, A+ by Standard & Poors and AA- by Fitch). These ratings helped the City achieve a true interest cost of 5.04% for the entire offering. The bonds are structured as 30-year notes with final maturity arriving in 2039. The refinancing component of this sale provides the City with just over \$7.49 million in savings over the lifetime of the offering.

The City will use \$223.8 million of the new bonds to repay the 2007 short term private note due on May 15, 2009. Another \$50.05 million in proceeds will be used to refund Sewer Revenue Bonds issued in 1997 and \$145 million will be used to fund additional improvements to the wastewater system. The remaining bond funds will be used to cover interest and finance costs for the bond offering.

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